

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2003-362-C - ORDER NO. 2004-495
OCTOBER 13, 2004

IN RE: Application of Time Warner Cable)	ORDER
Information Services (South Carolina), LLC)	GRANTING
for a Certificate of Public Convenience and)	RECONSIDERATION
Necessity to Provide Interexchange and Local)	
Voice Services and for Alternative Regulation)	
pursuant to S.C. Code Section 58-9-575 and)	
58-9-585.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition for Reconsideration or Rehearing of Order No. 2004-213, filed by Time Warner Cable Information Services (South Carolina), LLC (Time Warner or the Company).

In support of its Petition, the Company states that its substantial rights have been prejudiced in Order No. 2004-213, since that Order denied its request for alternative regulation under S.C. Code Sections 58-9-575 and 58-9-585 (Supp. 2003). According to Time-Warner, Order No. 2004-213 does not accurately describe the decision of the Commission on the Company's application. In its application, Time Warner sought regulation under Sections 58-9-575 and 58-9-585. At the meeting at which the Commission considered the Time Warner application, a motion to approve the application as submitted and as amended by stipulation with the South Carolina Telephone Coalition was made and passed without opposition, according to the Company. There was no discussion at the meeting of granting Time Warner a different

type of regulation that what had been requested. Accordingly, the Company believes that certain provisions of Order No. 2004-213, specifically Findings of Fact 8 and 9 and Conclusions of Law 9, 10, and 11, do not reflect the Commission's decision at the April 6, 2004 meeting. These provisions state that the Commission refused the request by Time Warner to be regulated under the two stated sections. Time Warner states that the Commission did not take any such action when it granted the Company's application. In addition, the Company asks that Order No. 2004-213 be reissued to reflect the Commission's actual actions. In addition, the Company claims that the Order's Findings and Conclusions are not supported by the record. Further, Time Warner states that the Order is insufficiently detailed.

We have considered this matter, and we do find that Order No. 2004-213 did not correctly reflect our intent in our vote taken on April 6, 2004. We agree that the testimony of Company witness Patterson supported the adoption by the Company of alternative regulation under S.C. Code Ann. Sections 58-9-575 and 58-9-585, and that our original order should have adopted this proposal of the Company. Under this alternative regulatory treatment, the Commission would not fix or prescribe the rates, tolls, charges, or rate structures for Time Warner's bundled interexchange and local services or for its operator and directory assistance services. Time Warner would file and maintain price lists for these services without filing a maximum rate schedule. Under its proposal, Time Warner maintains flexibility in its pricing, and it can adjust to rapidly changing market conditions and provide the consumer with another unique choice in the bundling arrangement proposed in the application. According to the Company witness at the hearing, the deployment of local and interexchange voice services by cable operators

presents a viable opportunity to provide facilities-based, residential, local phone competition on a national scale and particularly in South Carolina. Further, the witness noted that adoption of the requested alternative regulatory plan would help Time Warner accomplish this goal.

Again, it was the intent of this Commission to adopt the alternative regulation proposed by Time Warner. To the extent that Findings of Fact 8 and 9 and Conclusions of Law 9, 10, and 11 of Order No. 2004-213 are inconsistent with this holding, we declare those Findings and Conclusions null and void. To the extent that those Findings and Conclusions relate to other matters, they shall remain in full force and effect.

Accordingly, reconsideration is hereby granted pursuant to the Time Warner Petition described above, and relief is granted as outlined above.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

_____/s/_____
Randy Mitchell, Chairman

ATTEST:

_____/s/_____
G. O'Neal Hamilton, Vice Chairman

(SEAL)